

and 9,000 hundredweight of cabbage for sauerkraut because an insured cause of loss has reduced production. Your total indemnity would be calculated as follows:

(1) 50 acres \times 400 hundredweight = 20,000 hundredweight guarantee for the fresh market acreage.

50 acres \times 400 hundredweight = 20,000 hundredweight guarantee for the processing as sauerkraut acreage.

(2) 20,000 hundredweight guarantee \times \$5.00 price election = \$100,000 value of guarantee for the fresh market cabbage.

20,000 hundredweight guarantee \times \$1.90 price election = \$38,000 value of guarantee for processing as sauerkraut.

(3) \$100,000 + \$38,000 = \$138,000 total value of guarantee.

(4) 9,000 hundredweight \times \$5.00 price election = \$45,000 value of production to count for the fresh market acreage.

9,000 hundredweight \times \$1.90 price election = \$17,100 value of production to count for the acreage for processing as sauerkraut.

(5) \$45,000 + \$17,100 = \$62,100 total value of production to count.

(6) \$138,000 – \$62,100 = \$75,900 loss.

(7) \$75,900 \times 100 percent share = \$75,900 indemnity payment.

(d) The total production to count (in hundredweight) of marketable cabbage from all insurable acreage on the unit will include:

(1) All appraised production as follows:

(i) Not less than the production guarantee (per acre) for acreage:

(A) That is abandoned;

(B) For which you fail to meet the requirements contained in section 12;

(C) That is put to another use without our consent;

(D) That is damaged solely by uninsured causes; or

(E) For which you fail to provide production records that are acceptable to us;

(ii) All production lost due to uninsured causes;

(iii) All unharvested marketable production;

(iv) All potential production on insured acreage that you intend to put to another use or abandon, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end when you put the acreage to another use or abandon the crop. If agreement on the appraised amount of production is not reached:

(A) If you do not elect to continue to care for the crop, we may give you consent to put the acreage to another use if you agree to leave intact, and provide sufficient care for, representative samples of the crop in locations acceptable to us. (The amount of production to count for such acreage will be based on the harvested production or appraisals from the samples at the time harvest should have occurred. If you do not

leave the required samples intact, or fail to provide sufficient care for the samples, our appraisal made prior to giving you consent to put the acreage to another use will be used to determine the amount of production to count); or

(B) If you elect to continue to care for the crop, the amount of production to count for the acreage will be the harvested production, or our reappraisal if additional damage occurs and the crop is not harvested; and

(2) All harvested production from the insurable acreage.

(e) Mature production that is considered damaged cabbage production but is sold will be adjusted for quality as follows:

(1) Dividing the amount received per hundredweight of such damaged cabbage production by the applicable price election; and

(2) Multiplying the result by the number of hundredweight of damaged cabbage production.

14. Late and Prevented Planting

The late and prevented planting provisions of the Basic Provisions are not applicable.

[74 FR 8709, Feb. 26, 2009, as amended at 74 FR 26281, June 2, 2009; 75 FR 15891, Mar. 30, 2010]

§457.172 Coverage Enhancement Option.

The Coverage Enhancement Option for the 2009 and succeeding crop years are as follows:

FCIC policies: United States Department of Agriculture, Federal Crop Insurance Corporation.

Reinsured policies: (Appropriate title for insurance provider).

Both FCIC and reinsured policies: Coverage Enhancement Option.

Both FCIC and reinsured policies:

COVERAGE ENHANCEMENT OPTION

1. Definitions

CEO coverage level. The coverage level percentage contained in the actuarial documents where the Coverage Enhancement Option (CEO) is available and selected by you. This percentage is applicable under the combined MPC/CEO policy when losses under the MPC policy exceed the deductible and an indemnity is owed.

CEO dollar amount of insurance. The value of the additional insurance coverage for each unit provided by the CEO, which is determined by multiplying the CEO coverage level by the total value of the insured crop by unit and subtracting the MPC dollar amount of insurance.

MPC. Multiple Peril Crop Insurance, the plan of insurance offered by the Federal Crop

Insurance Corporation as published at 7 CFR part 457.

MPCI coverage level. The coverage level percentage you selected in the underlying MPCI policy to which CEO is attached.

MPCI dollar amount of insurance. The value of the insurance coverage for each unit provided under the MPCI policy (the amount of insurance selected by you for dollar or similar plans of insurance, multiplied by the number of acres in the unit if such amount of insurance is on a per acre basis, or the amount determined by multiplying your production guarantee (per acre), times the price election, times the number of acres in the unit).

MPCI indemnity. The indemnity determined for each unit under the MPCI policy to which CEO is attached, not including replant and prevented planting payments or any indemnity payable under CEO.

MPCI indemnity factor. A factor determined by dividing the MPCI indemnity by the MPCI dollar amount of insurance for each unit. This factor is used to ensure that the indemnity paid under the CEO is proportional to the amount of loss and indemnity paid under the MPCI policy.

Total value of the insured crop by unit. The value of the crop that is determined by dividing the MPCI dollar amount of insurance for each unit by the MPCI coverage level.

2. CEO is only available for insured crops where the actuarial documents contain a CEO coverage level. If there is a conflict between the terms of CEO and any other provision of your policy, the terms of the CEO will control.

3. To be eligible for CEO coverage on the insured crop, you must:

(a) Have an MPCI policy in force for the insured crop (or for citrus fruit, citrus trees, and stone fruit or other crops, as applicable, the insured type) and comply with all terms and conditions of such policy.

(b) Elect CEO in writing and choose a CEO coverage level (at least 5 percent higher than the MPCI coverage level), by the sales closing date for the insured crop.

(c) Elect a level of coverage greater than the Catastrophic Risk Protection (CAT) coverage level and a 100 percent price election. CEO is not available for the CAT level of coverage.

4. CEO is continuous and will remain in effect for as long as you continue to have a MPCI policy in effect for the insured crop, the actuarial documents contain a CEO coverage level, or until it is canceled by you or terminated by us on or before the cancellation or termination date, as applicable.

5. The premium for your policy will be determined by:

(a) Totaling the MPCI dollar amount of insurance and the CEO dollar amount of insurance; and

(b) Multiplying the result of section 5(a) by the premium rate for the insured crop applicable to your MPCI coverage level

6. With respect to the coverage provided under CEO:

(a) All acreage of the insured crop insured under your MPCI policy will be covered under the CEO;

(b) The amount of any replant or prevented planting payment that is payable under the MPCI policy will not be affected by the CEO;

(c) An indemnity will be payable under the CEO only after the underlying MPCI deductible is met and an MPCI indemnity is paid; and

(d) The total indemnity for each unit (MPCI coverage plus CEO) cannot exceed the combination of both the MPCI and CEO dollar amounts of insurance.

7. If you elect CEO and a MPCI indemnity is paid on any unit, CEO will pay a portion of the loss not paid under the deductible of the MPCI policy depending on the CEO coverage level you select (For example, if you selected a 50 percent MPCI coverage level, selected an 85 percent CEO coverage level, and had 60 percent loss of the insured crop, the total amount of indemnity paid under both the MPCI policy and the CEO would be equal to approximately 51 percent of the total value of the insured crop by unit). See the example in section 8.

8. In addition to the settlement of claim section for the applicable Crop Provisions, your indemnity will be computed for each unit as follows:

(a) Determine the MPCI indemnity factor;

(b) Determine the total value of the insured crop by unit;

(c) Determine the CEO dollar amount of insurance; and

(d) Multiply the MPCI indemnity factor times the CEO dollar amount of insurance to determine the indemnity under the CEO.

Example: Assume a policy with one unit; an MPCI coverage level of 50 percent and a CEO coverage level of 85 percent; 100% share; a \$120,000 MPCI dollar amount of insurance; and a \$72,000 payable indemnity under the MPCI portion of the policy.

Your indemnity would be calculated as follows:

(a) \$72,000 MPCI loss ÷ by \$120,000 MPCI dollar amount of insurance = .60 MPCI indemnity factor;

(b) \$120,000 MPCI dollar amount of insurance, divided by the MPCI coverage level of .50 results in \$240,000 total value of the insured crop by unit;

(c) \$240,000 total value of the insured crop by unit multiplied by the CEO coverage level .85, equals \$204,000, and subtracting \$120,000 MPCI dollar amount of insurance equals \$84,000 CEO dollar amount of insurance;

(d) .60 MPCI indemnity factor × \$84,000 CEO dollar amount of insurance = \$50,400 unit indemnity under the CEO.

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NOTE: The total unit indemnity is \$122,400 (\$72,000 MPCI indemnity plus \$50,400 CEO indemnity).

[73 FR 43610, July 28, 2008, as amended at 73 FR 80295, Dec. 31, 2008]

§457.173 Florida Avocado crop insurance provisions.

The Florida Avocado Crop Insurance Provisions for the 2011 and succeeding crop years are as follows:

FCIC policies:

United States Department of Agriculture Federal Crop Insurance Corporation

Reinsured policies: (Appropriate title for insurance provider)

Both FCIC and reinsured policies: Florida Avocado Crop Insurance Provisions.

1. Definitions.

Bushel. A unit of measure equal to 55 pounds of avocados, unless otherwise specified in the Special Provisions.

Buckhorn. To prune any limb at a diameter of at least four inches.

Crop year. A period beginning with the date insurance attaches to the avocado crop and extending through the normal harvest time. The crop year is designated by the calendar year after insurance attaches.

Direct marketing. Sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper or buyer. Examples of direct marketing include selling through an on-farm or roadside stand, farmer's market, and permitting the general public to enter the fields for the purpose of picking all or a portion of the crop.

Harvest. Picking of the avocados from the trees or ground by hand or machine.

Pound. A unit of weight equal to sixteen ounces avoirdupois.

Set out. Transplanting a tree into the grove.

Type. Either early varieties or late varieties of avocados, as specified in the Special Provisions.

2. Unit Division.

Provisions in section 34 of the Basic Provisions that allow optional units by section, section equivalent, or FSA farm serial number and by irrigated and non-irrigated practices are not applicable. Optional units may be established by type when provided for in the Special Provisions.

3. Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities.

In addition to the requirements of section 3 of the Basic Provisions:

(a) You may select only one coverage level for all the avocados in the county insured under this policy unless the Special Provisions provide that you may select a different coverage level for each avocado type designated in the Special Provisions. However,

if you elect the Catastrophic Risk Protection (CAT) level of coverage, the CAT level of coverage will be applicable to all types of avocados you produce in the county.

(b) You may select only one price election for all the avocados in the county insured under this policy unless the Special Provisions provide different price elections by type, in which case you may select one price election for each avocado type designated in the Special Provisions. The price elections you choose for each type must have the same percentage relationship to the maximum price offered by us for each type. For example, if you choose 100 percent of the maximum price election for one type, you must choose 100 percent of the maximum price election for the other type. However, if you elect the CAT level of coverage, the price election percentage will be equal to 55 percent of the applicable price election for each type of avocado you produce in the county.

(c) You must report, by the production reporting date designated in section 3 of the Basic Provisions, by type, if applicable:

(1) Any damage, removal of trees, trees that have been buckhorned, change in grove practices, or any other circumstance that may reduce the expected yield per acre to less than the yield upon which the production guarantee per acre is based, and the number of affected acres;

(2) The number of trees on insurable and uninsurable acreage;

(3) The age of the trees;

(4) Any acreage that is excluded under section 6 of these Crop Provisions; and

(5) For acreage interplanted with another crop:

(i) The age of the interplanted crop, and type, if applicable;

(ii) The planting pattern; and

(iii) Any other information that we request in order to establish your production guarantee per acre.

(d) We will reduce the yield used to establish your production guarantee as necessary, based on the effect of interplanting a perennial crop; removal of trees; trees that have been buckhorned; damage; or a change in practices on the yield potential of the insured crop. If you fail to notify us of any circumstance as set out in paragraph (c) of this section, we will reduce your production guarantee as necessary at any time we become aware of the circumstance.

4. Contract Changes.

In accordance with section 4 of the Basic Provisions, the contract change date is August 31 preceding the cancellation date.

5. Cancellation and Termination Dates.

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are the first November 30th after insurance attaches.

6. Insured Crop.